

Operational challenges initially followed by steadily increasing productivity.

Substantial investments of time.

Substantial investments of money.

Conflict between divisions over the selection of systems and capabilities.

Better visibility into its organization, markets, and supply chain.

All of the above.

### 3. When did your company consolidate its IT systems?

Consolidated more than three years ago.

Consolidated one to three years ago.

Consolidated during the past year.

Plan to consolidate in the next year.

Plan to consolidate within one to three years.

Plan to consolidate more than three years from now.

Never.

integration tasks and ensure quality of our reporting. And since we have more acquisitions planned, is it wise to wait or can we implement a solution that grows as we grow?



## MOVE INTO THE FUTURE

*Develop a single, comprehensive system to grow the company.*

*By Jim Carroll*

I've encountered this type of situation countless numbers of times. I think the key way to resolve the question is by framing it from one simple perspective: do you want to be focusing on the problems of the past, or do you want to outfit your organization so that everyone has the insight they need to deal with all the challenges that are being thrown at you in the future?

I've long been convinced that spending time on trying to rationalize disparate, uncoordinated, inflexible and unconnected systems is quite simply a waste of time, and I've seen dozens of organizations who have realized this and have moved on.

There are many growth-oriented companies like Dundersis Filters that have ended up with a mish-mash of different systems. Acquisitions have resulted in rapid revenue growth, but that can't be sustained if you don't ensure that your organization is properly positioned for the next phase of growth. Moving from being a growth-oriented company based on acquisition to one based on operational excellence is a critical undertaking.

Most manufacturing companies of any scope and scale have had multiple, independently operated plants and facilities, with countless numbers of different production control, manufacturing, planning, logistics and supply-chain systems. Anyone with any degree of smarts today has ripped out the junk, and has gone to a single, comprehensive system to do it all. Time should not be spent on trying to make different bits of code work — time needs to be spent in focusing on the competitive challenges in the marketplace!

From another perspective, the fact that a key customer has expressed their frustration in pretty unequivocal terms makes it clear that you really have no choice but to rationalize your operations, with an intelligent IT backbone being the catalyst. You are slamming right into today's raised bar of expectations. The reality you face is easy to understand: every organization that you deal with, whether it be a customer, supplier, stakeholder, or shareholder, is also out there dealing with the best and the brightest companies on the planet. They will expect and demand the same level of service from you in everything that you do. The bar of expectations is pretty high, and it gets higher every day. At the very least, you've got to be able to provide instant, 110% service with everything you do — support, order status, bid prices, dispute resolution. If you don't, you are increasingly out of the game.

Once you appreciate that reality, then you should focus on the benefits that a single-source system will bring you, by thinking about that from the demands that will be placed on Dundersis in the future. I've studied dozens of companies that have positioned the use of IT as a strategic enabler, and I think they have been focused on many different issues. Ask yourself if your current infrastructure will allow you to meet these requirements:

**Concentrate on rapid replenishment:** Smart supply chains are the bare minimum for today's manufacturers. What you really need to do is build an information-partnership with your suppliers and customers, ensuring that you stay lean and mean at the same time that you meet tight delivery expectations.

**Focus on planning agility:** Gone are the days of sitting back and figuring out how to crank out mass production runs. Markets and demands are changing so rapidly that you might need to retool, rework, and redo your production capabilities so that you can respond to something new that is going to happen next week. That's why you've

got to ensure that you make agility — the ability to change your own goalposts — the cornerstone of your manufacturing capability.

**Go maximum on flexibility:** Here's your new production mantra: volatility is the new normal. The last five years have taught us that unpredictability now comes at us in regular waves, with often sudden impacts and requirements. For example, if you can't provide detailed new logistics information to respond to some sudden new security concern, you don't have the right flexibility. Today's manufacturers live with the new unknown, and plan for it.

**Transition single-source labor to multisource skills:** Old-line manufacturers have different workers that do different stuff. The new guys have transitioned themselves with an investment in training and attitude so that their production team members can take on multiple different projects and assignments. It's not about single-sourced skills — it's about ingrained capabilities to instantly shift skills and resources to meet sudden new demands. To accomplish this, everyone on your team needs to be working from a single source of reliable information rather than peering into different screens containing information that is at war with itself.

**Have deep insight into rapidity:** With the collapse of product lifecycles and wildly fluctuating consumer/customer attitudes, you've got to stay on top of how quickly demand might change. All of the manufacturers I've studied with have ensured that they have the systems and technology that provide them deep, deep insight into how quickly their markets are changing. This includes CEOs and executive management who can access real-time, high-level snapshots of all kinds of key operating metrics as well as sales and marketing and production teams who know exactly what is going on in the marketplace, minute by minute, and plan accordingly. You won't be able to get to that type of deep insight with the mish-mash of what you currently have in place.

**Implement flexible, just-in-time processes:** What will your customers buy from you six months from now? What new products might come out that will blow away your market position? If you don't know, you should — and you should have the capability to quickly revamp, refocus, and redo your business and manufacturing processes on an on-demand basis. The companies I've studied have pursued two key goals: ensuring that they can quickly redirect their manufacturing process and that IT staff can quickly roll out sophisticated new business applications at the drop of a hat. Hand in hand, these two factors allow the organization to respond to the rapidity of market change that is a reality today.

**Develop better bid or service costing:** Forget flying by the seat of your pants when you are putting out a bid on a contract. With margins so tight and with everyone becoming religious on cost management, it's a surefire way of ensuring that you'll lose money. Smart manufacturers have put in place the intelligent information backbones that let them bid and cost with a precision that matches the quality of their manufacturing process.

**Work to become the “supplier of choice”:** Your key goal today? You want to make it as easy as possible for your customers — whether they are wholesalers, retailers, distributors, end users, or other manufacturers — to do business with you. Think of instilling “electronic glue” in your relationship — it's all about partnering with them and putting in place business processes that makes it so easy for them to do business with you that they will be unlikely to take their business elsewhere.

**Be relentless on operational excellence:** Globalization means that being great is no longer enough — you have to be even greater. That's why pursuing and achieving absolutely pure excellence within every aspect of the manufacturing operation is critical — you've got to go beyond greatness, to excellence, in order to compete in the massively global, increasingly flat, ever more rapid, customer-empowered marketplace that is today. It's only by aiming for the highest that you can begin to hope to do what needs to be done.

These are the things you need to be focusing upon, rather than spending time trying to fix all the problems of the past.

International futurist, trends, innovation expert **Jim Carroll** has researched key innovation success factors for dozens of industries, associations, professions, companies, and individuals. Jim also is a frequent keynote speaker and has addressed thousands of executives, providing his unique blend of insight into global